



JON M. HUNTSMAN, JR.

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

Supervisor AOZ

Inspection Report
Minerals Regulatory Program
Report Date: April 7, 2005

Mine Name: Happy Jack

Operator or Permittee Name:

Kyle Isenhardt

Permittee Mailing Address:

Hwy. 95, Box 330120, Lake Powell, UT 84533-0120

Inspector(s): Paul Baker

Other Participants: Ted McDougall (Monticello
BLM), Kyle Isenhardt (operator), David Perkins

Permit Status: Reclaimed

Current Acreages: :

Total Permitted (Bonded): 9

Total Disturbed: 9

Permit number: M/037/024

Inspection Date: March 10, 2005

Weather: Mostly clear, 50's

Inspection Start Time: Abt. 1:20 PM

Inspection End Time: Abt. 2:50 PM

Site location/Area Inspected (i.e. Pit #):

Entire area

Surface Ownership: Fee

Mineral Ownership: Fee, BLM

Mineral Mined: Uranium

Type of Mine: Underground

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The operator has verbally requested that the site be released.

Inspection Summary:

1. Permits, Revisions, Transfer, Bond

The Division currently holds a bond of \$2000 in the form of a certificate of deposit. The bond is for seeding the entire 9-acre area.

2. Public Safety (open shafts, adits, trash, signs, highwalls)

There are four open portals, three of which are gated (Photos 1 and 2 show one of the gated portals). There is also one shallow dog hole (Photo 2). One of the gated portals is not being used because of unstable roof conditions. The ungated portal is partially caved and silted in, and a large rock has now fallen in front of the portal making it inaccessible. Two gated portals are connected through underground workings which have natural ventilation. This underground area is used to store inventory (Photos 3 and 4). Most of the storage areas are within about 100 feet of the portal openings, and Mr. Isenhardt said none of the open workings goes back more than about 100 yards.

Mr. Isenhardt said he periodically checks radiation and radon levels in the mine, and he mentioned that radon levels are around "4." I assume this means pico Curies/liter. Four pCi/l in a home is the concentration at which the EPA recommends that a homeowner takes action to decrease the amount of radon.

I do not consider the open underground workings to be a particular danger to the public because they are not extensive, they are part of an active business, and because they have gates that can be closed when the areas are not in use.

13. Revegetation

Before the permit was transferred to Mr. Isenhardt, the Division had agreed that reclamation was complete except for revegetation. At the time, the portals had been sealed and backfilled, and there was no plan to use the site for a commercial operation. A red sandy topsoil was spread over part of the pad (center of Photo 5), and this was seeded. This area contains a moderate amount of vegetation, but I did not measure cover.

15. Facilities

The remaining facilities include shop and warehouse/office buildings; a well, pumps, and associated fuel and water tanks; the portals and workings as discussed above; the access road; and the pad. All of these are being used to facilitate the Isenhardts' business.

Conclusions/Recommendations:

This is clearly not a mining operation but, instead, an old mine being used legitimately as a business.

Inspection Date: March 10, 2005; Report Date: April 7, 2005
Page 3 of 3
M/037/024

When the mine permit was transferred to Kyle Isenhardt, he requested a postmining land use change. The only documentation of any approval of this change is a hand written note to the file from Holland Shepherd. This note says:

The new owner proposes to develop portions of the site for non-mining purposes . . .
After speaking with Lowell Braxton and Wayne Hedberg, we agreed that the proposed development could be designated non-mining (as defined in our rules). These areas would be removed from reclamation obligation during the permit transfer.

Although this is a less-than-formal approval, I know of no reason the Division cannot conclude that reclamation has been completed and release the reclamation bond. I will prepare bond release findings which will need to be reviewed and probably approved by the Division Director before the bond can be released.

Inspector's Signature



Date: April 7, 2005

PBB:jb

Enclosures: Photo Attachment

cc: Kyle Isenhardt, Operator

Ted McDougall, Monticello BLM

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ATTACHMENT

Photographs

M/037/024, Happy Jack Mine, , Operator Name

Inspection Dated: March 10, 2005 ; Report Dated: April 7, 2005



Photo 1. One of the gated portals that leads into the storage area.



Photo 3. Some of the underground storage area.



Photo 2. Near the center of this picture is a dog hole (not a portal).



Photo 4.



Photo 5. An overview of part of the pad. The office/warehouse building is on the right, and the other building is a shop. The caved, gated portal is in the bank just to the left of the center. The red soil is the topsoil that was spread and seeded.